



### **LSA PRESENTATIONS TO THE HOUSE APPROPRIATIONS COMMITTEE**

The Fiscal Services Division of the Legislative Services Agency (LSA) gave two presentations in the month of March to the House Appropriations Committee. The meetings were held on March 8 and March 22. The meeting on March 8 also included members of the House Ways and Means Committee.

On March 8, Jeff Robinson, Senior Legislative Analyst, presented information on tax credits and other state General Fund revenue expenditures. Mr. Robinson reviewed:

- The various sources of data available for tax credits and other types of revenue expenditures.
- The types of tax credits and revenue expenditures available, including: tax credit contingent liabilities, Iowa Form 1040 tax credits, property tax credits and exemptions funded through General Fund appropriations, and other programs paid directly from General Fund revenues.
- Impacts of Tax Increment Financing and property tax exemptions on the State School Aid formula.
- The LSA's process for calculating the fiscal impact of changes to tax credit programs.

The following handouts from the presentation are available online:

- [Tax Credits and Other State General Fund Revenue Expenditures](#)
- [Tax Credits & Items Financed through Net General Fund Receipts](#)

On March 22, Holly Lyons, Fiscal Services Director, and Jeff Robinson presented information on the revenue estimating process and volatility of state tax revenue. Issues and topics discussed included:

- History and purpose of the Revenue Estimating Conference (REC).
- The impact associated with timing of revenue estimates prepared by the REC.
- The Expenditure Limitation law and the impact on the State's reserve funds.
- The various components (i.e., taxes, fees, and refunds) associated with REC estimates.
- The REC meeting process and factors involved in establishing revenue estimates.
- Accuracy of revenue forecasts.
- A review of best practices involved in forecasting State tax revenue.
- Challenges associated with the revenue estimating process.
- Historical trends and variability of General Fund tax revenue.
- Comparisons between the State General Fund tax revenue growth and Iowa's Gross Domestic Product (GDP).
- Volatility associated with the nonwithholding income tax.

The following handouts from the presentation are available online:

- [Revenue Estimating](#)
- [Revenue Volatility](#)

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